

JUL 10 2008

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	
)	
PETITIONER,)	CONSENT ORDER
)	
VS.)	
)	
COVENTRY HEALTH CARE OF)	CAUSE NO. C-1697
NEBRASKA, INC.)	
)	
RESPONDENT.)	

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its representative, Martin W. Swanson and Coventry Health Care of Nebraska of Nebraska, Inc., ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §44-101.01, §44-303 and §44-4047, et seq.
2. Respondent was licensed as a health maintenance organization under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Coventry Health Care of Nebraska, Inc., Cause Number C-1697 on June 11, 2008. A copy of the petition was served upon the Respondent, at the Respondent's address registered with the Department by certified mail, return receipt requested.

2. The petition alleges that Respondent violated Neb. Rev. Stat. §§44-1524, 44-1525(11), 44-1539, 44-1540 (3), 44-1540(4), 44-6829 and Title 210 NAC, Chapter 61 §008.03, as a result of the following conduct:

- a. On February 8, 2008, a complaint was filed with the Department alleging that Respondent denied an emergency room claim. Respondent had informed the complainant that he should have went to his doctor as opposed to the emergency room based on the initial review of the claims submitted. The denial noted a request for the submission of emergency room medical records for review.
- b. On February 12, 2008, Barbara Ems ("Ems"), an insurance investigator with the Department, wrote Respondent a letter requesting information regarding the complaint. In her letter, Ems asked thirteen questions and also requested documents from Respondent.
- c. On March 3, 2008, Respondent provided a response to Ems' inquiry. However, Respondent did not provide complete information or documentation with respect to six of Ems' inquiries, including the following:
 1. Failed to provide highlighted applicable policy provisions.
 2. Failed to provide copies of all correspondence sent to complainant regarding the claim.
 3. Failed to provide dates of contact with complainant.
 4. Failed to provide evidence to support compliance with Chapter 61 of the Nebraska Administrative Code.
 5. Failed to provide at itemization of claims received and/or paid.
 6. Failed to provide evidence to support compliance with the Managed Care Emergency Services Act.
- d. In the March 3, 2008 response, Respondent admitted that the claim was received from Alegent Health Bergan Mercy Medical Center on April 29, 2005. The claim was denied as non-emergent. A notation in the explanation of benefits indicated that the claim emergency department records were necessary for further review. The claim from the emergency room doctor was received on May 3, 2005, and was also rejected as non-emergent.
- e. On June 6, 2005, records were received by Respondent. A registered nurse employed by Respondent reviewed the file and denoted that the services for both the facility and the physician were, in fact, emergent and both claims were sent for reprocessing for payment. Respondent admitted that due to an error, when sent for reprocessing, both claims were inadvertently denied again, rather than being approved and paid. Respondent was not aware of the reprocessing

error until Respondent received Ems' February 12, 2008 letter regarding the same. Upon such receipt, the claims were reprocessed and paid per policy provisions.

3. Respondent was informed of the right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving its right to a public hearing, Respondent also waives its right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent does not admit or deny that it violated Neb. Rev. Stat. §§44-1524, 44-1525(11), 44-1539, 44-1540 (3), 44-1540(4), 44-6829 and Title 210, Chapter 61 §008.03; however, in order to resolve this matter, Respondent agrees to abide by the terms of this Consent Order.

CONCLUSIONS OF LAW

The conduct of Coventry Health Care of Nebraska, as alleged above, constitutes a violations of Neb. Rev. Stat. §§44-1524, 44-1525(11), 44-1539, 44-1540 (3), 44-1540(4), 44-6829 and Title 210 NAC, Chapter 61 §008.03.

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent, that Respondent shall pay an administrative fine in the amount of one thousand five hundred (\$1,500) dollars. The Respondent has thirty days from the date of approval of this consent order by the Nebraska Director of Insurance to pay the one thousand five hundred dollar fine. Respondent also agrees to review its claims review process in order to rectify the issues that arose from the substance of the petition filed in this matter. The Nebraska Department of Insurance shall retain jurisdiction of this

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Coventry Health Care of Nebraska, Inc., Cause No. C-1697.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Ann M. Frohman

ANN M. FROHMAN
Director of Insurance

7/10/08
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent at P.O. Box 541210, Omaha, Nebraska 68154, by certified mail, return receipt requested on this 10 day of

July, 2008.

Tracy A. Zuhn

RECEIVED

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DEPARTMENT OF INSURANCE
COMMUNICATIONS SECTION